

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
PENDLETON COUNTY WATER DISTRICT)	CASE NO. 94-068

O R D E R

On February 15, 1994, Pendleton County Water District ("Pendleton") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Pendleton purchases water from two suppliers, Campbell Water District ("Campbell") and City of Falmouth ("Falmouth").

2. Effective November 1, 1993, Campbell decreased its rate for wholesale water from \$1.5832 per 1,000 gallons to \$1.5430 per 1,000 gallons. Falmouth will not change its wholesale rates for water at this time.

3. Pendleton has proposed to decrease the rates to its customers effective March 15, 1994. However, the proposed decrease should coincide with the effective date of the wholesale rate implemented by Campbell. Therefore, the proposed effective date of March 15, 1994 should be denied. The effective date of Pendleton's proposed rates should be November 1, 1993.

4. Any refund or credit received from Campbell for water purchased between November 1, 1993 and January 15, 1994 should be distributed to Pendleton's customers. Pendleton should inform the Commission of the amount of refund or credit received and the method by which it will refund that amount to its customers.

5. During the 12 months ending December 31, 1993, Pendleton purchased 63,329,286 gallons of water from Campbell and 32,526,000 gallons of water from Falmouth. During that same period of time, Pendleton sold 84,987,430 gallons of water. Based on an average monthly usage of 5,000 gallons, the average bill of Pendleton's customers would decrease 15 cents from \$25.90 to \$25.75 or 0.6 percent.

6. Pendleton's calculations are correct and show a decrease in purchased water cost of \$2,545.84, resulting in a purchased water adjustment of 3 cents per 1,000 gallons.

7. The purchased water adjustment of 3 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed effective date of March 15, 1994 is hereby denied.

2. The purchased water adjustment of 3 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after November 1, 1993.

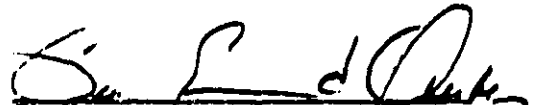
3. Any refund or credit received from Campbell for purchased water between November 1, 1993 and January 15, 1994 shall be distributed to Pendleton's customers and Pendleton shall inform the Commission of the amount of refund or credit received and the method by which it will refund that amount to its customers.

4. Within 30 days of the date of this Order, Pendleton shall file revised tariff sheets setting out the rates approved herein.


5. Within 30 days of the date of this Order, Pendleton shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 28th day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-068 DATED February 28, 1994.

The following rates and charges are prescribed for the customers in the area served by Pendleton County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RESIDENTIAL CUSTOMERS:

First	2,000 Gallons (Minimum Bill)	\$ 10.75
Next	3,000 Gallons per 1,000 Gallons	5.00
Next	10,000 Gallons per 1,000 Gallons	4.90
Over	15,000 Gallons per 1,000 Gallons	4.73

GRIFFIN INDUSTRIES, INC.

First	400,000 Gallons (Minimum Bill)	\$1,895.80
Over	400,000 Gallons per 1,000 Gallons	4.73

PENDLETON COUNTY HIGH SCHOOL

First	125,000 Gallons (Minimum Bill)	\$ 592.43
Over	125,000 Gallons per 1,000 Gallons	4.73